

Message Text

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73

ACTION EUR-25

INFO OCT-01 IO-12 ADP-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 EB-11 FRB-02 H-02 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-03 RSC-01 AID-20 CIEP-02 SS-15

STR-08 TAR-02 TRSE-00 USIA-12 PRS-01 SAL-01 OMB-01

NEA-10 GAC-01 RSR-01 /190 W
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R 041720 Z APR 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 4992

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION OECD PARIS

USMISSION GENEVA

UNCLAS EC BRUSSELS 1856

E. O. 11652: N/A

TAGS: EGEN, ETRD, EFIN, EEC, NO

SUBJECT: APRIL 2-3 EC COUNCIL (FOREIGN MINISTERS)-

HIGHLIGHTS

REF: EC BRUSSELS 1839

1. SUMMARY: THE COUNCIL OF THE EUROPEAN COMMUNITIES (FOREIGN MINISTERS) MET IN LUXEMBOURG ON APRIL 2-3. THE COUNCIL APPROVED CERTAIN CHANGES IN THE COMMISSION'S UNCLASSIFIED

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NEGOTIATING MANDATE FOR THE TRADE AGREEMENT WITH NORWAY; ADOPTED THE REGULATION ESTABLISHING THE EUROPEAN MONETARY COOPERATION FUND TO BEGIN OPERATIONS ON APRIL 6, AFTER THE MINISTERS HAD SETTLED, TEMPORARILY, ITS LOCATION; AND HEARD A REPORT ON THE COMMISSION'S PREPARATION FOR THE MULTILATERAL TRADE NEGOTIATIONS IN GATT (REFTEL).. THE COUNCIL DID NOT DISCUSS THE GLOBAL MEDITERRANEAN POLICY AT ANY LENGTH BUT HEARD AN APPEAL TO PROCEED MORE RAPIDLY IN CONSIDERING THE MATTER.

2. EC COMMISSION VICE PRESIDENT SOAMES MADE A BRIEF ORAL REPORTED TO THE COUNCIL ON HIS RECENT CONSULTATIONS WITH UNDER SECRETARY CASEY, BUT THERE WAS NO DISCUSSION. IN OTHER ACTION, THE COUNCIL APPROVED THE APPLICATION OF THE COMMUNITY' S RULES OF ORIGIN TO NORWAY AND FINLAND, AUTHORIZED THE COMMISSION TO OPEN NEGOTIATIONS FOR A TRADE AGREEMENT WITH INDIA AND FOR A NEW AGREEMENT WITH YUGOSLAVIA, AND TOOK CERTAIN ACTION ON THE FOOD AID PROGRAM. END SUMMARY.

3. NORWAY. THE COUNCIL MADE ADJUSTMENTS IN THE MANDATE FOR NEGOTIATIONS WITH NORWAY WHICH LED JENS EVENSEN, THE CHIEF NORWEGIAN NEGOTIATOR, TO DECLARE THAT HOPE NOW EXISTED FOR THE SIGNING OF AN AGREEMENT BY EASTER. THESE INVOLVED LIBERALIZING PROVISIONS FOR IMPORTS INTO THE COMMUNITY OF ALUMINUM INTENDED FOR RE- EXPORT, AND IN SETTING 3 PERCENT AS THE TARIFF GOAL FOR FROZEN FISH FILLETS AND 7 1/2 FOR FROZEN SHRIMP. THE DANES WERE CREDITED WITH A GOOD JOB OF PLEADING THE NORWEGIAN CASE BEFORE THE COUNCIL.

4. EUROPEAN MONTARY COOPERATION FUND. AFTER FOUR HOURS IN RESTRICTED SESSION DEVOTED TO THE QUESTION OF THE LOCATION OF THE FUND, THE MINISTERS REACHED AGREEMENT THAT THE FUND'S NECESSARY ADMINISTRATIVE SUPPORT FUNCTION SHOULD BE LOCATED IN LUXEMBOURG ON A PROVISIONAL BASIS. THE PERMANENT REPRESENTATIVES ARE TO EXAMINE ARRANGEMENTS TO ENSURE THE PROPER FUNCTIONING. OF THE FUND AND A FINAL DECISION ON ITS LOCATION IS TO BE TAKEN NO LATER THAN JUNE 30. THE COUNCIL ALSO ADOPTED THE REGULATION ESTABLISHING THE FUND (ESSENTIALLY THE DRAFT RESOLUTION AS REPORTED IN EC BRUSSELS 414), WHICH WILL ENTER INFO FORCE ON APRIL 6.

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5. A BRITISH SPOKESMAN CLAIMED THE BATTLE FOR BRUSSELS AS

THE SITE OF THE FUND WAS NOT LOST. THE LUXEMBOURGERS, HOWEVER, ARE SATISFIED THAT THE PROVISIONAL SITE WILL BECOME THE PERMANENT SITE, ALTHOUGH THEIR OPTIMISM SEEMS BASED MORE ON POSSESSION AS NINE TENTHS OF THE LAW RATHER THAN ANYTHING MORE CONCRETE. BOTH THE FRENCH AND THE GERMANS SEIZED THE OPPORTUNITY TO INTRODUCE COMPLAINTS ABOUT LUXEMBOURG'S SYSTEM OF TAXATION CONCERNING HOLDING COMPANIES, AND REQUIREMENTS ON CREDIT RESTRICTIONS. BETWEEN NOW AND JUNE, THE LUXEMBOURGERS MAY FIND IT EXPEDIENT TO REVISE THESE REGULATIONS, AND TO BEEF UP TELEPHONE AND TELECOMMUNICATIONS FACILITIES BETWEEN LUXEMBOURG AND BRUSSELS (ONE OF THE BRITISHCOMPLAINTS).

6. GLOBAL MEDITERRANEAN POLICY. ACCORDING TO THE PRESS RELEASE ISSUED AFTER THE MEETING, THE COUNCIL WAS NOT ABLE (BECAUSE OF THE LENGTHY AGENDA) TO DISCUSS MEDITERRANEAN POLICY IN DEPTH. HOWEVER, THE COUNCIL AND COMMISSION PRESIDENTS URGED THE MEMBER STATES TO DEVELOP THE NECESSARY POLITICAL WILL AND INSTRUCTIONS WHICH WOULD MAKE RAPID PROGRESS POSSIBLE. THE OBJECTIVE IS TO BE ABLE TO BEGIN NEGOTIATIONS WITH THE MEDITERRANEAN COUNTRIES CONCERNED BY THE END OF JUNE. A COUNCIL SECRETARIAT OFFICIAL EXPLAINED THAT WHILE THE DISCUSSION OF EC INDUSTRIAL CONCESSIONS IS FAIRLY WELL ADVANCED, CONSIDERABLE WORK REMAINS ON AGRICULTURAL CONCESSIONS AND ON COOPERATION OR AID POLICY. CERTAIN MEMBER STATES (SUCH AS ITALY) DO NOT WANT TO APPROVE OR EVEN DISCUSS PROPOSED INDUSTRIAL CONCESSIONS EXCEPT IN CONJUNCTION WITH AGRICULTURAL CONCESSIONS, AND THEIR ATTITUDE ON THE LATTER WILL IN TURN DEPEND ON THE DISCUSSIONS OF COOPERATION POLICY. NO MENTION OF REVERSE PREFERENCES IS MADE IN CONNECTION WITH THE PROPOSALS ON INDUSTRY.

7. RULES OF ORIGIN. THE COUNCIL AGREED ON A REGULATION ON THE DEFINITION OF THE PHRASE " ORIGINAL PRODUCTS", WHICH WILL BE APPLICABLE IN TRADE WITH THE EFTA NON-APPLICANT COUNTRIES. IT ALSO AGREED TO THE REQUESTS OF FINLAND AND NORWAY THAT COMMUNITY RULES OF ORIGIN APPLY TO THEM UNTIL SUCH TIME AS THE COMMUNITY' S AGREEMENTS WITH THOSE COUNTRIES ENTER INTO FORCE.

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8. FOOD AID CONVENTION. AS A RESULT OF THE COMMUNITY' S ENLARGEMENT, THE COUNCIL HAS AGREED TO INCREASE ITS ANNUAL CEREALS CONTRIBUTION UNDER THE CONVENTION FROM 1,035,000 TONS TO 1,287,000 TONS, THAT IS AN INCREASE OF

252,000 TONS. FOR THE CURRENT CROP YEAR, WHICH ENDS JUNE 30, 1973, THE COMMUNITY'S CONTRIBUTION WILL BE INCREASED ON A PRO RATA BASIS BY 126,000 TONS.

9. THE NEXT SESSIONS OF THE COUNCIL ARE SCHEDULED AS FOLLOWS: APRIL 9-10 AND 16-17, AGRICULTURE (IN LUXEMBOURG); MAY 14-15, FOREIGN MINISTERS AND AGRICULTURE; MAY 21, SOCIAL AFFAIRS; MAY 22, ENERGY; JUNE 4-5, FOREIGN MINISTERS; JUNE 18-19 (TENTATIVE), AGRICULTURE; JUNE 25-26, FOREIGN MINISTERS. (ALL JUNE COUNCILS ARE IN LUXEMBOURG.)
GREENWALD

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*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 04 APR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ECBRU01856
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730432/aaaahlwt.tel
Line Count: 185
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 73 EC BRUSSELS 1839
Review Action: RELEASED, APPROVED
Review Authority: kellerpr
Review Comment: n/a
Review Content Flags:
Review Date: 03 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03-Aug-2001 by reddocgw>; APPROVED <16-Aug-2001 by kellerpr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 971119
Subject: APRIL 2-3 EC COUNCIL (FOREIGN MINISTERS)- HIGHLIGHTS
TAGS: EFIN, EGEN, ETRD, NO, EEC, EGEN
To: BONN
BRUSSELS
COPENHAGEN
DUBLIN
EUR
HELSINKI
LONDON

SECSTATE WASHDC

THE HAGUE

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005